

## Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /057 R

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P 160012Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY LISBON PRIORITY

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E.O. 11652: XGDS

TAGS: BEXP, PO

SUBJECT: EX-IM CREDIT 5671 TO PETROSUL

REF: LISBON 0093; STATE 280608

1. PROCEDURES PROPOSED LISBON 0093 FOR SIGNING IN LISBON OF EXIM LOAN AGREEMENT WITH PETROSUL ARE ACCEPTABLE. SUGGEST, HOWEVER, THAT PUBLICITY BE HANDLED CAREFULLY SO AS NOT REPEAT NOT RAISE UNDUE PORTUGUESE EXPECTATIONS FOR NEW EXIMBANK CREDITS WHICH CANNOT BE SATISFIED WITHIN CURRENT EXIMBANK GUIDELINES RELATED TO DIFFICULT PORTUGUESE ECONOMIC SITUATION. (SEE STATE 280608.)

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2. EXIMBANK HAS ALREADY INCLUDED PETROSUL CREDIT IN PRESS

RELEASE ON JUNE 30, 1975, WITH SEVERAL OTHER CASES IN ACCORDANCE  
WITH STANDARD EXIMBANK PRACTICE OF ANNOUNCING CREDITS SHORTLY  
AFTER AUTHORIZATION RATHER THAN AT TIME OF LOAN SIGNATURE.  
AS EXIM CUSTOMARILY GIVES NO ADDITIONAL PUBLICITY TO SIGNING  
ARRANGEMENTS, EXIMBANK PLANS NO CEREMONY NOR FURTHER PRESS RELEASE  
IN THE U.S. FOLLOWING TEXT IS RECOMMENDED AS  
BASIS FOR FACTUAL RELEASE BY EMBASSY IN ACCORDANCE WITH PUBLICITY  
GUIDANCE IN PARAGRAPH 1. ABOVE. PLEASE PROVIDE TEXT AS ACTUALLY  
USED BY EMBASSY AND CONFIRM SIGNING ARRANGEMENTS.

3. BEGIN TEXT. IN A CERMONY AT (BLANK) TODAY, SOCIEDADE  
PORTUGUESA DE REFINACAO DE PETROLEOS (PETROSUL) SIGNED A LOAN  
AGREEMENT WITH THE EXPORT-IMPORT BANK OF THE UNITED STATES TO HELP  
FINANCE A DOLS 10 MILLION SALE OF U.S. EQUIPMENT, MATERIALS AND  
SERVICES RELATED TO THE CONSTRUCTION AND INITIAL OPERATION OF AN  
OIL REFINERY AT SINES, PORTUGAL. EXIMBANK WILL SIGN THE AGREEMENT IN  
WASHINGTON. SIGNING FOR PETROSUL IN LISBON TODAY WAS (BLANK), AND  
THE AMERICAN AMBASSADOR, FRANK C. CARLUCCI, AND (BLANK) OF THE  
PORTUGUESE GOVERNMENT ATTENDED THE CEREMONY.

THE EXIMBANK BOARD OF DIRECTORS AUTHORIZED IN FEBRUARY 1975 THIS  
DIRECT CREDIT OF DOLS 4.5 MILLION TO FINANCE 45 PERCENT OF THE TOTAL  
U.S. COSTS. ANOTHER CREDIT OF DOLS 4.5 MILLION FROM HARRIS  
BANK AND TRUST WILL FINANCE 45 PERCENT OF THE TOTAL U.S. :9 5 ,  
AND WILL BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. THE  
OBLIGOR, SOCIEDADE PORTUGUESA DE REFINACAO DE PETROLEOS (PETROSUL),  
QILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT  
OR DOLS 1.0 MILLION.

U.S. PURCHASES WILL INCLUDE PUMPS, COMPRESSORS, TURBINES, A  
COMPUTER, ALLOY HEATER TUBES, INSTRUMENTS, ALLOY AND CARBON  
STEEL PIPE, VALVES, FITTINGS, PROJECT SUPERVISION AND ENGINEERING  
SERVICES. THE PRIME CONTRACTOR IS EXPECTED TO BE PROCON INCORPORATED  
OF DES PLAINES, ILLINOIS, A SHOLLY-OWNED SUBSIDIARY OF UNIVERSAL OIL  
PRODUCTS COMPANY, WHICH WILL HANDLE DESIGN CONSTRUCTION AND  
PROCUREMENT. U.S. SUB-CONTRACTORS HAVE NOT YET BEEN SELECTED.

THE LOANS ARE TO BE REPAYED IN 16 SEMIANNUAL INSTALLMENTS  
BEGINNING NOVEMBER 10, 1977. EXIMBANK'S DIRECT CREDIT OF  
DOLS 4.5 MILLION WILL BE REPAYED OUT OF THE LAST 8 INSTALLMENTS  
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AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WILL BE BLENDED  
WITH THE PORTION OF THE CREDIT FROM HARRIS BANK AND TRUST  
COMPANY OF CHICAGO AT A FLOATING RATE TO BE REPAYED OUT OF THE  
FINAL 8 INSTALLMENTS. END TEXT  
KISSINGER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RAYMOND J. ALBRIGHT  
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**Film Number:** D760016-0096  
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**Image Path:**  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**TAGS:** BEXP, PO  
**To:** LISBON  
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